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C O N F I D E N T I A L UNVIE VIENNA 000215

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DEPT FOR ISN/MNSA, IO/T
DOE FOR NA-20; NA-24 LERSTEN
NRC FOR HENDERSON
OSD FOR LGROSS

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TAGS: [PARM](#) [AORC](#) [IAEA](#) [KNPF](#) [IR](#) [KN](#)

SUBJECT: IAEA: HAYWARD DELEGATION TOUR D,HORIZON WITH SENIOR AGENCY OFFICIALS Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b,d

1.(SBU) An Interagency delegation led by ISN DAS Mary Alice Hayward held an intensive series of consultations April 7-9 with senior IAEA offici
2.(C) Safeguards DDG Heinonen downplayed Iran's Nuclear Day announcement of 3000 additional centrifuges and discussed verification priorities i
3.(SBU) Delegation members: DAS Hayward Ambassador Ragsdale (ISN/MNSA) Dr. Susan Koch (T) Laura Gross, Director, Combating WMD Policy, OSD Cynt
Issues -----

4.(SBU) DDG Management David Waller provided DAS Hayward and the Interagency delegation an overview of the Agency's long-term perspectives Apri
6.(SBU) Hayward and Waller also discussed personnel issues in the Department of Safeguards. DOE Lersten briefed on the U.S. Next Generation Saf
Geneva Group on 20/20 Review -----

7.(SBU) At a dinner hosted by Ambassador Schulte with select Geneva Group Ambassadors on April 8 the delegation heard a surprisingly unanimous
8.(SBU) Shannon referred to the possible IAEA role in verifying a FMCT, and also argued that the IAEA's current peer review approach to safety
Safety and Security -----

9.(SBU) In a series of EXPO-arranged briefings on April 8, DDGs and senior officials from each of the Agency's five programmatic Departments ad
10.(SBU) Safety and Security DDG Taniguchi explained how improvements in safety had allowed for longer and more efficient operation of nuclear
11.(SBU) Taniguchi and Nuclear Security Director Nilsson expressed appreciation for U.S. support to the nuclear security program, which would r
12.(SBU) Nilsson added that her office is trying to respond to U.S. and other member state requests to make the nuclear security report to the
13.(SBU) Hayward stressed the importance of working together, and the need for prioritization and coordination. Asked how the U.S. could assist
Technical Cooperation/Nuclear Applications -----

14.(SBU) TC DDG Ana Maria Cetto and Nuclear Applications Division Director Natesan Ramamoorthy provided an overview of their departments. Cett
15.(SBU) Cetto described the primary focus of the TC program in areas of human health, nuclear safety, and food and agriculture. Given increase
16.(SBU) The delegation noted the USG's continued support for TC and for programs that promote key U.S. objectives. Hayward emphasized the need
Nuclear Energy ----- 17. (SBU) Nuclear Energy DDG Sokolov saw many challenges associated with rising expectations of the nuclear rena

[18.](#) (SBU) Director of the Nuclear Energy Division Akita Omoto described some of the strategic issues facing countries considering nuclear powe
[19.](#) (C) Hayward suggested that the Japanese three S's proposal to the G-8 be coordinated with the IAEA. She further noted GNEP's focus on the
[20.](#) (C) In an aside, Msnoff inquired about specific requests for support from Middle East countries and whether DG ElBaradei would participate
Reliable Access to Nuclear Fuel -----

[21.](#) (SBU) Rauf also provided the delegation with a brief overview of current fuel assurance initiatives, noting that the Russian proposal woul
[22.](#) (C) Rauf reported some resistance to putting reliable access on the agenda for the June Board. Recipient countries need more reassurance a
Safeguards: Iran, DPRK -----

[23.](#) (C) DDG Heinonen provided the delegation with an assessment of Iran's April 8 announced installation of 3000 additional centrifuges and di
[24.](#) (C) The overall verification Mission in Iran was focused on three areas cited in para 54 of the DG's February report: the major concern of
[25.](#) (C) Regarding the AP, Safeguards had provided a list of places it would like to visit to Iran, and would like to implement the AP in accor
[26.](#) (C) On DPRK, Heinonen opined that disablement seemed to be progressing slowly. He noted that IAEA monitoring was fairly smooth though resc
Safeguards Inspections: Working Smarter -----

[27.](#) (SBU) Heinonen cited new challenges for Safeguards, particularly in information analysis with the large infrastructure project, but also i
[28.](#) (SBU) Safeguards Concept and Planning Director Jill Cooley described the Department's input to the 20/20 study, though she noted that for
[29.](#) (SBU) Heinonen also flagged personnel issues and problems recruiting qualified applicants with a nuclear background, regardless of nation
[30.](#) (SBU) Hayward raised the issue of non-state actors and getting at them through Safeguards. Heinonen acknowledged this danger and the probl
[31.](#) (SBU) In response to a question from Rauf, Hayward advised that the U.S. is prepared to discuss the criteria based approach in the NSG. Th
U.S. Additional Protocol -----

[32.](#) (SBU) Finally, Hayward noted that the President issued an Executive Order in late February, that directed the U.S. interagency to prepare
Safeguards Analytic Laboratory -----

[33.](#) (SBU) The delegation visited the Safeguards Analytic Laboratory (SAL) in Seibersdorf on April 9. Gabriela Voigt, Director of the Seibersdc
[34.](#) (SBU) The primary issue at the Clean Lab is the shortage of space for equipment. Ensuring no cross-contamination is vital to maintaining t
[35.](#) (SBU) The delegation was particularly struck by safety and security concerns at SAL. For example, the nuclear laboratories that handle plu
[36.](#) (SBU) DAS Hayward, Susan Koch, and Ambassador Schulte also subsequently discussed SAL with DDG Heinonen who focused on environmental sampl
[37.](#) (SBU) Asked about the 6.9 million Euro Japanese contribution, Heinonen confirmed that the funds were provided for the purchase of the UHS-
[38.](#) (U) DAS Hayward cleared this message. SCHULTE